

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: AMENDMENTS TO LIFELINE AND LINK-UP RULES [199 IAC 39.3(4) AND (5)]	DOCKET NO. RMU-05-5
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ORDER COMMENCING RULE MAKING

(Issued February 11, 2005)

Pursuant to Iowa Code §§ 17A.4, 17A.5, 476.1, and 476.2 (2005), the Utilities Board (Board) is proposing to amend subrules 199 IAC 39.3(4) and (5) to comply with eligibility criteria for the Lifeline and Link-Up programs recently established by the Federal Communications Commission (FCC) as reflected in the attached "Notice of Intended Action" and incorporated herein by reference. On August 27, 2004, the Board issued an "Order Adopting Emergency Rule" that adopted the new eligibility criteria established by the FCC. The emergency rule was published in IAB Vol. XXVII, No. 6 (9/15/04) p. 418, ARC 3666B. These proposed amendments are to incorporate additional requirements established by the FCC.

The Lifeline and Link-Up programs are two of several federal universal service support mechanisms. The Lifeline program provides low-income consumers with discounts of up to \$10 off the monthly cost of telephone service for a single telephone line in a consumer's principal residence. The Link-Up program provides low-income consumers with discounts of up to \$30 off the initial cost of installing telephone service. Pursuant to the rules of the FCC, low-income consumers have

been able to establish eligibility for Lifeline and Link-Up support by participating in other federal assistance programs.

On April 29, 2004, the FCC issued its "Report and Order and Further Notice of Proposed Rulemaking" in WC Docket No. 03-109. In that order, the FCC adopted rules adding three new eligibility criteria for the Lifeline and Link-Up programs. The FCC ordered that participation in the Temporary Assistance to Needy Families program and the National School Lunch Program's free lunch program should be added to the default eligibility criteria. In addition, the FCC ordered that a consumer is eligible to participate in Lifeline and Link-Up if the consumer's income is at or below 135 percent of the Federal Poverty Guidelines. These new criteria were adopted by the Board in the emergency rule making in Docket No. RMU-04-7.

In addition to creating three new eligibility criteria, the FCC has required that federal default states, such as Iowa, implement certification and verification procedures for the Lifeline and Link-Up programs. The certification procedures require eligible telecommunications carriers (ETCs) enrolling consumers under the new Federal Poverty Guidelines criteria to certify that participants come within the guidelines. The verification procedures require ETCs to implement measures to verify that program participants continue to meet eligibility requirements once enrolled. Iowa's certification and verification procedures must be in place by June 22, 2005.

The Board is proposing the following amendments to meet the certification and verification requirements established by the FCC.

1. Amend subrule 39.3(4) as follows:

39.3(4) Application Certification. The ~~application~~ certification of eligibility for Link-Up or Lifeline rate assistance shall be upon a form as set forth below. The form shall be supplied to the applicant by the eligible carrier.

LINK-UP AND LIFELINE RATE ASSISTANCE APPLICATION-CERTIFICATION

Name_____

Address_____

Soc. Sec._____

City_____ State_____ Zip_____
Phone Number where you may be reached or receive messages (____)_____

Please answer the following questions (indicate by check mark):

1. By filling out this application I (the applicant) request:
☐ Low-income telephone connection assistance (Link-up) and/or
☐ Low-income telephone Lifeline assistance.
2. Have you received Link-up assistance at the above address in the past?
☐ Yes
☐ No
If the answer is "yes," you are not eligible for Link-up assistance.
3. Are you participating in any of the following programs?
☐ Medicaid (e.g., Title XIX/Medical, State Supplemental Assistance)
☐ Food Stamps
☐ Supplemental Security Income
☐ Federal Public Housing Assistance Section 8
☐ Low-Income Home Energy Assistance
☐ Temporary Assistance to Needy Families program
☐ National School Lunch Program's free lunch program
4. Is your income at or below 135 percent of the Federal Poverty Guidelines?
☐ Yes
☐ No
5. If the answer to No. 4 is yes, provide the number of individuals in your household

I understand completion of this application does not constitute immediate acceptance into these programs. I agree to notify the telecommunications carrier if I cease to participate in any of the public assistance programs I checked above or if my income becomes greater than 135 percent of the Federal Poverty Guidelines.

I certify under penalty of perjury the above information is true. I have read the information on this application and understand I must meet the above qualifications to receive assistance from these programs.

SIGNATURE _____ DATE _____

2. Amend subrule 39.3(5) as follows:

39.3(5) Data collection. Eligible carriers shall keep records of the number of subscribers receiving Link-Up and Lifeline assistance. Each eligible carrier must keep accurate records of the revenues it forgoes in providing Lifeline and Link-Up. The board requires that the carrier file information with the federal administrator demonstrating the carrier's Lifeline and Link-up plans meet the federal criteria, the number of qualifying low-income consumers, and stating there are no state contributions.

In addition, eligible carriers shall mail each year to 1 percent of Lifeline and Link-up subscribers the verification form set out below. Eligible carriers shall then verify on their annual report that they have performed the required verification.

LINK-UP AND LIFELINE RATE ASSISTANCE VERIFICATION FORM

Name _____ SSN _____

Address _____

City _____ State _____ Zip _____

I am currently receiving Low-income monthly telephone bill assistance (Lifeline) at the following:

Phone Number: _____

Address: _____

I am currently participating in the following program(s)

Medicaid (e.g., Title XIX/Medical, State Supplemental Assistance)

Food Stamps:

Supplemental Security Income:

Federal Public Housing Assistance Section 8;
Low-Income Home Energy Assistance;
Temporary Assistance to Needy Families program;
National School Lunch Program's free lunch program; or
My income is at or below 135 percent of the Federal Poverty Guidelines.

I agree to notify the telecommunications carrier if I cease to participate in any of the public assistance programs I checked above or if my income becomes greater than 135 percent of the Federal Poverty Guidelines.

I certify under penalty of perjury the above information is true. I have read the information on this application and understand I must meet the above qualifications to receive assistance from these programs.

SIGNATURE _____

DATE _____

Board staff has met with industry representatives to informally discuss how certification and verification will occur. These proposed amendments reflect those discussions.

Under the new FCC criteria, a consumer who qualifies for Lifeline and Link-up assistance under the Federal Poverty Guidelines must state the number of individuals in the household. The Board is proposing to amend the form in subrule 39.3(4) by adding a question that will elicit the required information. The Board is also proposing to amend the form to change it from an "application" to a "certification" form, to reflect the terminology used by the FCC.

The Board is proposing to amend subrule 39.3(5) to include the requirement that ETCs sample 1 percent of the consumers who are receiving Lifeline and Link-up assistance each year to verify that they still meet eligibility criteria. The Board is proposing a form for the ETCs to send to the sample consumers.

To help the Board understand the costs of the proposed amendments, the utilities are asked to provide estimates of any additional costs that might be

generated by the proposed new rules. These estimates may be filed with the utilities' comments in this docket.

IT IS THEREFORE ORDERED:

1. A rule making proceeding identified as Docket No. RMU-05-5 is commenced for the purpose of receiving comments on the proposed changes to the Utilities Board rules in the notice attached hereto and incorporated herein by reference in this order.

2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin a notice in the form attached to and incorporated by reference in this order.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 11th day of February, 2005.

UTILITIES DIVISION [199]

Notice of Intended Action

Pursuant to Iowa Code sections 17A.4, 17A.5, 476.1, and 476.2 (2005), the Utilities Board (Board) gives notice that on February , 2005, the Board issued an order in Docket No. RMU-05-5, In re: Amendments to Lifeline and Link-Up Rules [199 IAC 39.3(4) and (5)], "Order Commencing Rule Making" proposing amendments to the Board's Lifeline and Link-Up rules to comply with new Federal Communication Commission (FCC) requirements. On August 27, 2004, the Board issued an "Order Adopting Emergency Rule" that adopted the new eligibility criteria established by the FCC. The emergency rule was published in IAB Vol. XXVII, No. 6 (9/15/04) pp. 418, ARC 3666B.

On April 29, 2004, the FCC issued its "Report and Order and Further Notice of Proposed Rulemaking" in WC Docket No. 03-109. In that order, the FCC adopted rules adding three new eligibility criteria for the Lifeline and Link-Up programs. The FCC ordered that participation in the Temporary Assistance to Needy Families program and the National School Lunch Program's free lunch program be added to the default eligibility criteria. In addition, the FCC ordered that a consumer is eligible to participate in Lifeline and Link-Up if the consumer's income is at or below 135 percent of the Federal Poverty Guidelines. These new criteria were adopted by the Board in the emergency rule making in Docket No. RMU-04-7.

In addition to creating three new eligibility criteria, the FCC has required that federal default states, such as Iowa, implement certification and verification procedures for the Lifeline and Link-Up programs. The certification procedures require eligible telecommunications carriers (ETCs) enrolling consumers under the new Federal Poverty Guidelines criteria to certify that participants come within the guidelines. The verification procedures require ETCs to implement measures to verify that program participants continue to meet eligibility requirements once enrolled. Iowa's certification and verification procedures must be in place by June 22, 2005.

The Board in this rule making is proposing additional amendments to ensure that all eligible Iowans are able to qualify for the support of the Lifeline and Link-Up programs. The order containing the background and support for this rule making can be found on the Board's Web site, www.state.ia.us/iub.

Pursuant to Iowa Code sections 17A.4(1)"a" and "b," any interested person may file a written statement of position pertaining to the proposed amendments. The statement must be filed on or before March 22, 2005, by filing an original and ten copies in a form substantially complying with 199 IAC 2.2(2). Utilities are requested to provide an estimate of any additional costs they believe will be generated by the changes in the proposed new rules. All written statements should clearly state the author's name and address and should make specific reference to this docket. All communications should be directed to the Executive Secretary, Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

Since these amendments merely implement the new FCC guidelines, an oral presentation is not scheduled at this time. Pursuant to Iowa Code section 17A.4(1)"b,"

an oral presentation may be requested or the Board on its own motion may determine that an oral presentation should be scheduled.

These amendments are intended to implement Iowa Code sections 476.1, 476.2, and 17A.4.

The following amendments are proposed.

Item 1. Amend subrule 39.3(4) as follows:

39.3(4) ~~Application~~ Certification. ~~The application~~ certification of eligibility for Link-Up or Lifeline rate assistance shall be upon a form as set forth below. The form shall be supplied to the applicant by the eligible carrier.

LINK-UP AND LIFELINE RATE ASSISTANCE ~~APPLICATION~~ CERTIFICATION

Name _____

Address _____

Soc. Sec. _____

City State Zip
Phone Number where you may be reached or receive messages () _____

Please answer the following questions (indicate by check mark):

1. By filling out this application I (the applicant) request:
☐ Low-income telephone connection assistance (Link-Up) and/or
☐ Low-income telephone Lifeline assistance.
2. Have you received Link-Up assistance at the above address in the past?
☐ Yes
☐ No

If the answer is "yes," you are not eligible for Link-Up assistance.

3. Are you participating in any of the following programs?
☐ Medicaid (e.g., Title XIX/Medical, State Supplemental Assistance)
☐ Food Stamps
☐ Supplemental Security Income
☐ Federal Public Housing Assistance Section 8
☐ Low-Income Home Energy Assistance
☐ Temporary Assistance to Needy Families program

___ National School Lunch Program's free lunch program

4. Is your income at or below 135 percent of the Federal Poverty Guidelines?

___ Yes

___ No

5. If the answer to No. 4 is yes, provide the number of individuals in your household_

___.

I understand completion of this application does not constitute immediate acceptance into these programs. I agree to notify the telecommunications carrier if I cease to participate in any of the public assistance programs I checked above or if my income becomes greater than 135 percent of the Federal Poverty Guidelines.

I certify under penalty of perjury the above information is true. I have read the information on this application and understand I must meet the above qualifications to receive assistance from these programs.

SIGNATURE_____DATE_____

Item 2. Amend subrule 39.3(5) as follows:

39.3(5) Data collection. Eligible carriers shall keep records of the number of subscribers receiving Link-Up and Lifeline assistance. Each eligible carrier must keep accurate records of the revenues it forgoes in providing Lifeline and Link-Up. The board requires that the carrier file information with the federal administrator demonstrating the carrier's Lifeline and Link-Up plans meet the federal criteria, the number of qualifying low-income consumers, and stating there are no state contributions.

In addition, eligible carriers shall mail each year to 1 percent of Lifeline and Link-Up subscribers the verification form set out below. Eligible carriers shall then verify on their annual report that they have performed the required verification.

LINK-UP AND LIFELINE RATE ASSISTANCE VERIFICATION FORM

Name_____SSN_____

Address_____

City_____State_____Zip_____

I am currently receiving Low-income monthly telephone bill assistance (Lifeline) at the following:

Phone Number: _____

Address: _____

I am currently participating in the following program(s)

____ Medicaid (e.g., Title XIX/Medical, State Supplemental Assistance)

____ Food Stamps;

____ Supplemental Security Income;

____ Federal Public Housing Assistance Section 8;

____ Low-Income Home Energy Assistance;

____ Temporary Assistance to Needy Families program;

____ National School Lunch Program's free lunch program; or

____ My income is at or below 135 percent of the Federal Poverty Guidelines.

I agree to notify the telecommunications carrier if I cease to participate in any of the public assistance programs I checked above or if my income becomes greater than 135 percent of the Federal Poverty Guidelines.

I certify under penalty of perjury the above information is true. I have read the information on this application and understand I must meet the above qualifications to receive assistance from these programs.

SIGNATURE _____ DATE _____

February 11, 2005

/s/ Diane Munns
Diane Munns
Chairman